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JOB SERVICE

Washington State
Employment Security Department
John Spellman, Governor
Norward Brooks, Commissioner

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in cooperation with the
Bureau of Labor Statistics
and the Employment and
Training Administration
U.S. Department of Labor

Washington Labor Market

Volume 8, Number 4 April 1984

HIGHLIGHTS

The employment picture in Washington State brightened during March, with the jobless rate falling for the second straight month. The State's unemployment rate for March was 10.5 percent; down 0.7 of a percentage point from the revised February rate. The job outlook was bolstered by a Boeing announcement revising a previous hiring forecast from 3,000 to 5,300 additional workers in 1984. The number of jobless individuals dropped 12,400 between February and March. Seasonal factors, including milder weather, usually reduce the March level of unemployment. The drop recorded this March, however, was the largest since 1972, when the state began its rebound from the severe slump of 1970-71. (The data quoted are not seasonally adjusted.) The over-the-year decline in the state's unemployment rate of 2.5 percentage points is the largest since 1977-78, when a boom in housing helped fuel recovery from the milder recession of 1974-75. The number of employed individuals statewide jumped by 23,300 during March, a normal increase for this time of year. A major part of this gain (an increase of 7,300) was in Seattle-Everett, the State's largest and most diverse labor market area. Here, employment continues to benefit from a healthier national economy, buttressed by a normal seasonal upturn in the retail trade and service industries. The Yakima area accounted for another major part of the March increase in state employment, with a gain of more than 3,000 jobs over February. In eastern Washington counties, planting, field preparation, fertilizing, and herbicide application usually boost employment levels during March.

	March 1984*	February 1984*	March 1983
Civilian Labor Force	2,052,000	2,041,100	2,039,400
Total State Employment	1,836,100	1,812,800	1,774,600
Total Unemployment	215,900	228,300	264,800
State Unemployment Rate	10.5	11.2	13.0
National Civilian Unemployment Rate	8.1	8.4	10.3

*These data are alternative estimates which are more nearly comparable with data released in previous years than the official Bureau of Labor Statistics' estimates developed for Federal program purposes.

Nationally, large month-to-month swings in key indicators paint a mixed picture of current and future economic conditions. Gross National Product (GNP) for the first quarter of 1984 grew at an annual rate of 8.3 percent, more than one percentage point above preliminary estimates and several points above the consensus forecast. Based on 1983 fourth quarter measures and more recent January data, economists had predicted much slower growth during the first quarter of 1984. Key indicators reported in March point once again to a more moderate pace of expansion. The Commerce Department's set of leading economic indicators dropped a sizeable 1.1 percent during March, the first decline in nineteen months. The non-adjusted unemployment rate for the nation fell 0.3 of a percentage point from February, to a March level of 8.1 percent. The seasonally adjusted rate, however, remained unchanged from February after six months of steady decline. On the heels of a sharp March drop in national retail sales, these data point to slower growth through the remainder of 1984. The sudden reversal of key national indicators has been explained as a "correction" to an exceptionally brisk January-February performance. Abnormally harsh weather in most parts of the nation has also been cited as the cause of the March downturn. This news has allayed some fears that an overheated economy, triggering inflation and higher interest rates, would erode the substantial employment gains of the past fifteen months.

Despite a slight upward turn in the state's jobless rate between the fourth quarter of 1983 and the first quarter of 1984, the bright March figures reflect a narrowing gap between state and national employment recoveries. Chart 1 traces state and national jobless rates from the onset of the recession to the present. (Monthly data in this chart have been seasonally adjusted and aggregated into quarters to smooth out volatile monthly swings.)

After more than one year of steady recovery, total nonagricultural employment in Washington State is about 4 percent higher than the pre-recession level. The non-manufacturing sector, with trade and service industries leading the way, has fueled the state's employment recovery. Chart 2 shows the percentage change in state nonagricultural employment by major industrial sectors, from March 1979 to the present. The overall state picture parallels national and international trends in labor market composition.

CHART 1

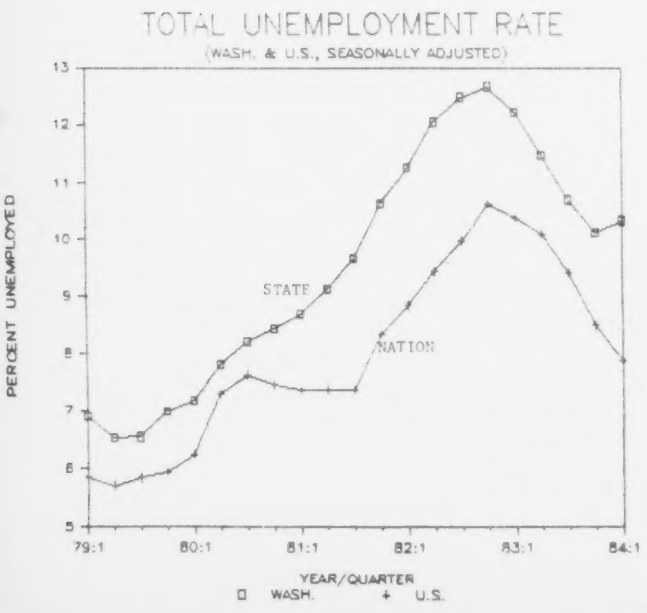
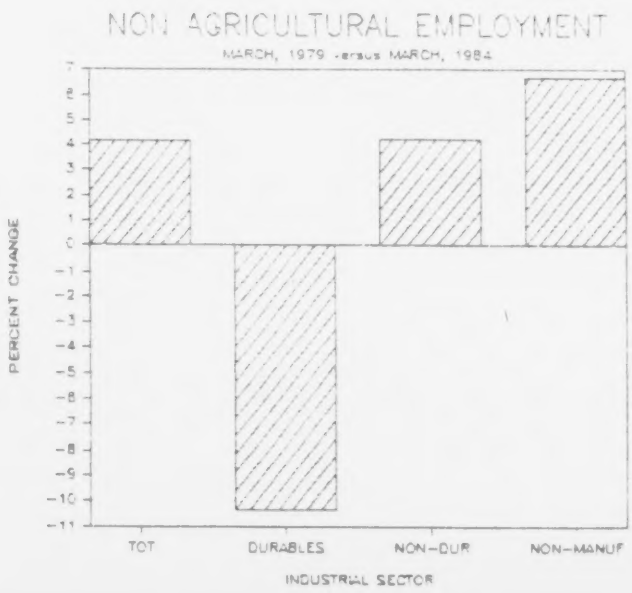


CHART 2



MANUFACTURING EMPLOYMENT

The Boeing Company's revised forecast, adding 2,300 to a previous projection of 3,000 hirees for 1984, brightened an otherwise mixed outlook in manufacturing. The largest part of the March gain in state manufacturing employment was in housing related industries. In preparation for heightened construction activity in the spring and summer months, lumber and wood products, aluminum, and stone, clay and glass all posted higher payrolls for March. Employment in the capital goods sector held steady with some industries showing modest gains. (See table on page 8.) Growth in capital goods employment, especially in machinery, follows an over-the-year national rise in consumer spending and business investment. Feverish January and February activity provided most of the recent impetus. A March slowdown in production prevented a larger gain in manufacturing payrolls. Some of the slower growth in production is due to plants approaching their production capacity. Across the nation, plant use is 81 percent of capacity, with some key industries, such as aluminum, nearing the 100 percent mark. If consumer demand holds steady, renewed investment in plant and equipment should boost employment in capital goods industries later in the year. In the meantime, small declines in the average manufacturing work week and reductions in overtime were reported for the nation during March.

Durable Goods Industries

An increase in home mortgage rates during March, with another rise expected in the near future, helped keep employment gains in lumber and wood products and in other durable goods within seasonal norms. Although the record March drop in national housing starts was influenced by severe weather conditions, the decline may also reflect the waning phase of a year-long housing boom. In the state and region, however, where the recovery in homebuilding has been much slower, the demand for housing should hold steadier in the months ahead.

A look at pre and post recession employment in the state's durable goods sector shows lumber and wood products trailing, as expected. As shown in chart 3, employment in this industry is still more than 20 percent below the March 1979 level. Although hastened by the recession, this erosion reflects a regional trend nearly two decades in the making. Since 1965, yearly production of plywood in the Pacific Northwest has decreased from 12 to 10 billion board feet, while the Southern share of the market has surged from less than 1 to more than 10 billion board feet. Plywood substitutes, such as waferboard and strandboard, manufactured in the mid-west provide still more competition, holding down Northwest timber prices.

CHART 3

Reflecting this trend, Simpson Timber Company in Shelton announced elimination of 129 local jobs, effective March 30th. A company spokesman cited excess lumber capacity in the West and low prices as the reason for the layoffs.

The longer-range employment outlook in lumber and wood products hinges on further development of the region's export markets. The Weyerhauser Company, which has been a leader in this movement, reports an improvement in export markets because of economic recovery overseas and the start of a decline in the U.S. dollar. In another positive development, Anacortes Plywood, Inc., announced the return of between 80 and 100 workers to its veneer plant. In a unique transaction, workers formed a cooperative and bought shares in the closed plant to allow the re-opening. Dividends at the end of the year are expected to supplement salaries and benefits.

The\Aluminum industry has also lagged the state's general employment recovery, with payrolls nearly 20 percent below March 1979. (See chart 3, above.) Here, a jump in the cost of electricity, in addition to a sluggish regional housing recovery, has inhibited recovery. Reductions in electricity rates for aluminum producers announced by Bonneville Power Authority may enable the industry to move closer to pre-recession employment levels in the year ahead.

In other durable goods manufacturing, aerospace added 400 to its payrolls during March. Since December 1983, aerospace employment in the state is up more than 1,300. A recent announcement by Boeing, forecasts an additional 4,000 hirees in the state before the end of 1984. This would bring aerospace employment within 3 percent of its pre-recession level. It is currently 8 percent below March 1979. (See chart 3, above.) The slower, but steady employment advances in aerospace during the present recovery may be more permanent and sustainable than past cyclical upswings. Boeing officials who announced the new hiring forecast, said the revised projection was due to an improved outlook for military and commercial airplane sales, with the new Boeing 737 leading the way. Boeing reported that orders for its smaller 737 model are ahead of expectations, while interest in the wider-body 757 and 767 models is lagging. Since deregulation, airlines have been competing by offering more service. This has increased the demand for smaller, more fuel-efficient jetliners.

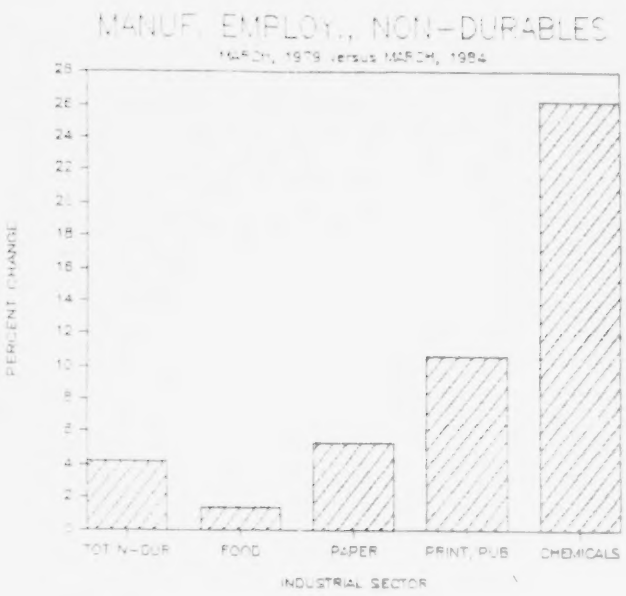
Employment in machinery production, which is tied more closely than other manufacturing to overall economic conditions, continued to gain steadily during March. Machinery is the only major durable goods industry to surpass its pre-recession employment level. Its current workforce is nearly 10 percent higher than in March 1979.

Nondurable Goods Industries

Notable gains were reported for the second straight month in the state's food products industry, with a payroll jump of 800 over February. A major part of the increase was concentrated again in potato processing. "Bruised" potatoes from the fall harvest need to be processed at this time of year to ensure their useability. The hiring of workers to process asparagus shipments from California also boosted food processing payrolls. The processing of food and related products is one of several major state industries to exceed pre-recession employment levels. Payrolls in food processing are nearly 2 percent higher than in March 1979. In general, nondurable goods industries have helped lead the state's employment recovery, compensating for slower growth in hard goods employment. (See chart 4, below.)

Overall, employment in nondurables is 4 percent higher than in March, 1979, with chemicals, printing & publishing, and paper products posting the biggest percentage gains. Employment in paper and allied products has benefitted directly from the year-long revival in consumer spending. Companies requiring more packing cartons for consumer products and users of printing paper for micro-computers have helped the paper industry return to full production. Weyerhaeuser reports that its pulp and paper division has recovered

CHART 4



faster than other parts of the company. Timber companies with diversified operations that include paper products have come closest to pre-recession employment levels.

NONMANUFACTURING EMPLOYMENT

Employment in wholesale and retail trade, the state's largest non-manufacturing sector, advanced 3,100 in March after post-holiday declines in January and February. The increase reflects a customary spring rebound in consumer spending on clothing, home furnishings, and building materials. Milder weather and increased travel boosts the payrolls of service stations and roadside eating and drinking establishments. (See table on page 8.) Still, the March gain of 3,100 is about 2,000 less than normal for this time of year. The closing of Peoples Stores, resulting in a loss of 1,200 jobs, was responsible for most of the shortfall. A general slowdown in consumer spending may have also kept the March increase in trade employment slightly below the seasonal norm.

For the second straight month, key indicators of national economic activity point to reduced consumer spending. Retail sales nationally dropped 2.2 percent in March, following a decline of 0.2 of a percentage point in February. Although sales were harmed by extremely harsh weather and a "late" Easter holiday, consumer spending was expected to decelerate after the record advances of the past year. The dip in consumer spending is consistent with slower growth in employment and in personal income. The latter showed the smallest gain nationally in seven months, rising only 0.5 percent in March. With more distance to travel in its recovery, Washington State should continue to show strength in consumer spending in succeeding months. The latest figures published by the state Office of Financial Management and the Department of Revenue, show real personal income advancing at annual rates of 0.5 percent and 2.2 percent for the third and fourth quarters of 1983. Another increase, at an annual rate of 2.5 percent, is forecast for the first quarter of 1984, with stronger projected gains for the remainder of the year. This should at least preserve the healthy employment recovery in wholesale and retail trade. A prediction by Marple's Business Newsletter, that "tourism shapes up as a record year" in Washington State, paints an even brighter picture for trade industry employment.

Employment in the state's construction and services industries also jumped during March. Seasonal factors were again at play. Milder weather enabled construction activity to resume, while an approaching tax return deadline boosted payrolls in business and accounting services by 900. (See table on page 8.)

Nonmanufacturing industries have led the employment recovery in Washington State. Current nonmanufacturing employment is nearly 7 percent above the March 1979 level. This has more than balanced a net 6 percent loss in manufacturing jobs over the past four years. (See chart 5 and chart 2.) The recent recession, however, merely accelerated a long-term trend which has dramatically reshaped the state and national labor force. The shift from manufacturing to services employment was prompted by spectacular advances in technology which has made the production process less labor intensive. Standardized production has also enabled less advanced industrial nation's to capture a larger share of the international manufacturing labor market, at the expense of production jobs in the United States.

CHART 5

The one exception to growth in state non-manufacturing employment is construction. The sluggish regional housing recovery and loss of jobs due to a halt in nuclear plant construction are the prime causes. Employment in construction is still 30 percent below the March 1979 level. (See chart 5.)

In a development with positive long-range implications, the Navy announced plans to station a fifteen ship aircraft carrier task force at the Port of Everett. The ships, scheduled to arrive in 1988 (pending formal budgetary authorization) will add 10,000 military personnel and about 1,500 civilian workers to Puget Sound non-manufacturing payrolls. An additional 5,000 permanent jobs are expected to derive from a general boost to the Puget Sound economy. Most of the jobs created indirectly will be in services and trade. Between 1986 and 1989, an average of 2,300 construction related jobs per year will result while the carrier group is being established.

EMPLOYMENT OUTLOOK: THE NATIONAL CONTEXT

The March drop in key indicators of national economic activity point to slower economic growth and job creation in the months ahead. While this has caused some alarm, most economists are pleased to see a moderation in the hectic pace of recent expansion. Slower growth is expected to prevent a further rise in interest rates, and keep the cost of housing, autos, and other "big ticket" consumer goods within the reach of middle income earners. Although the price of producer goods continues to advance at rates well above the 1983 pace, consumer prices climbed just 0.2 percent in March. For the first quarter of 1984, consumer prices increased at an annual rate of 5 percent, about the same as the previous three quarters.

The sharp March decline in retail sales has raised concerns that the year-long boom in spending is finally coming to an end. During this period of consumer retrenchment, however, savings nationally have been replenished. If interest rates remain at or near

present levels, economists expect a round of renewed consumer activity, though at a rate below the record 1983 surge. Continued strength in consumer spending should, in turn, spur investment in plant and equipment among industries experiencing diminished factory capacity. Many key industries are operating close to 100 percent of capacity. The overall rate is 81 percent.

Slower growth and an easing of inflationary pressures mean that employment gains in the state's interest rate sensitive industries should be preserved in the months ahead, with good prospects for gradual expansion through 1984. Employment in the state's already healthy trade and services sector should also benefit from a pick-up in consumer spending and an expected record year in tourism. Boeing's upward revision of its 1984 hiring forecast means that employment in one of the state's largest and most volatile industries will remain strong through the remainder of 1984.

RESIDENT CIVILIAN LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE 1/

(In Thousands)

NOT SEASONALLY ADJUSTED	Mar. 1984 (Prel.)	Feb. 1984 (Rev.)	Mar. 1983	Feb. 1983	Change Feb. 84 to Mar. 84	Change Mar. 83 to Mar. 84
RESIDENT CIVILIAN LABOR FORCE	2,052.0	2,041.1	2,039.4	2,009.3	+10.9	+12.6
EMPLOYMENT	1,836.1	1,812.8	1,774.6	1,739.7	+23.3	+61.5
UNEMPLOYMENT	215.9	228.3	264.8	269.6	-12.4	-48.9
Percent of Labor Force	10.5	11.2	13.0	13.4	xxx	xxx

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 2/

(In Thousands)

NOT SEASONALLY ADJUSTED	Mar. 1984 (Prel.)	Feb. 1984 (Rev.)	Mar. 1983	Feb. 1983	Change Feb. 84 to Mar. 84	Change Mar. 83 to Mar. 84
TOTAL NONAG. WAGE AND SALARY	1,604.5	1,589.1	1,544.1	1,528.6	+15.4	+60.4
TOTAL MANUFACTURING	279.9	276.5	272.1	270.5	+3.4	+7.8
Durable Goods	193.5	191.5	190.5	190.1	+2.0	+3.0
Lumber & Wood Products	41.0	40.0	38.7	38.0	+1.0	+2.3
Furniture & Fixtures	3.3	3.4	3.0	2.9	-0.1	+0.3
Stone Clay & Glass Prod.	6.1	5.9	5.6	5.4	+0.2	+0.5
Primary Metal Industries	13.5	13.3	12.0	11.7	+0.2	+1.5
Aluminum Prod.& Proc.	9.0	8.9	7.6	7.5	+0.1	+1.4
Fabricated Metal Prod.	9.5	9.4	8.9	8.8	+0.1	+0.6
Machinery	26.8	26.6	25.4	25.3	+0.2	+1.4
Machinery exc. Elect.	15.7	15.6	14.9	14.8	+0.1	+0.8
Electrical & Electronic	11.1	11.0	10.5	10.5	+0.1	+0.6
Transportation Equipment	79.2	78.9	83.8	85.1	+0.3	-4.6
Aerospace	63.0	62.6	67.3	68.8	+0.4	-4.3
Other Transp. Equip.	16.2	16.3	16.5	16.3	-0.1	-0.3
Instruments & Rel. Prod.	9.7	9.7	9.2	9.0	0.0	+0.5
Misc. Manufacturing Ind.	4.4	4.3	3.9	3.9	+0.1	+0.5
Nondurable Goods	86.4	85.0	81.6	80.4	+1.4	+4.8
Food & Kindred Products	30.1	29.3	28.6	27.8	+0.8	+1.5
Canned & Preserved Foods	9.7	9.5	8.4	8.5	+0.2	+1.3
Apparel & Other Text.Prod.	6.0	6.0	5.5	5.5	0.0	+0.5
Paper & Allied Products	16.0	15.8	15.4	15.5	+0.2	+0.6
Printing & Publishing	16.6	16.3	15.9	15.7	+0.3	+0.7
Chemicals & Allied Prod	10.6	10.4	9.8	9.6	+0.2	+0.8
Other Nondurable Goods 3/	4/ 7.1	7.2	6.4	6.3	-0.1	+0.7
MINING & QUARRYING	2.9	2.9	2.5	2.4	0.0	+0.4
CONSTRUCTION	67.3	64.9	66.7	65.0	+2.4	+0.6
TRANS.& PUBLIC UTILITIES	89.7	89.1	85.1	84.7	+0.6	+4.6
WHOLESALE & RETAIL TRADE	398.1	395.0	376.7	372.6	+3.1	+21.4
Wholesale Trade	102.3	101.3	96.4	94.9	+1.0	+5.9
Retail Trade	295.8	293.7	280.3	277.7	+2.1	+15.5
FIN. INS. & REAL ESTATE	92.6	92.3	90.2	89.6	+0.3	+2.4
SERVICES	333.5	329.8	321.4	317.1	+3.7	+12.1
GOVERNMENT	340.5	338.6	329.4	326.7	+1.9	+11.1
Federal	67.3	67.2	66.8	65.7	+0.1	+0.5
State & Local	273.2	271.4	262.6	261.0	+1.8	+10.6
Education	151.4	150.5	145.0	144.5	+0.9	+6.4
(WORKERS IN LABOR-MANAGEMENT DISPUTES)	0.2	0.0	0.0	0.0	+0.2	+0.2

1/ These data are alternative estimates which are more nearly comparable to data released in previous years than are official Bureau of Labor Statistics estimates developed for federal program purposes.
2/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.
3/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.
4/ Excludes workers involved in labor-management disputes.

Washington State
EMPLOYMENT SECURITY DEPARTMENT

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

(Not Seasonally Adjusted)

Date: April 30, 1984

Benchmark: 1983

John Spellman, Governor
Norward J. Brooks, Commissioner

	March 1984 Preliminary 3/				February 1984 Revised				March 1983 Revised			
	Labor Force	Employment	Unemployment	Rate	Labor Force	Employment	Unemployment	Rate	Labor Force	Employment	Unemployment	Rate
Washington State Total 1/	2,052,000	1,836,100	215,900	10.5	2,041,100	1,812,800	228,300	11.2	2,039,400	1,774,660	264,800	13.0
Bellingham SMSA	51,900	46,000	5,900	11.4	51,700	45,100	6,600	12.8	50,900	43,600	7,300	14.3
Bremerton SMSA	64,200	59,300	4,900	7.6	64,100	59,000	5,100	8.0	63,600	58,100	5,500	8.6
Olympia SMSA	58,400	52,300	6,100	10.4	58,200	51,600	6,600	11.3	59,400	51,600	7,800	13.1
Seattle-Everett SMSA	906,800	829,500	77,300	8.5	903,400	822,200	81,200	9.0	889,100	791,700	97,400	11.0
Spokane SMSA	154,100	139,700	14,400	9.3	154,800	139,700	15,100	9.8	153,700	134,500	19,200	12.5
Tacoma SMSA	190,500	168,600	21,900	11.5	189,700	167,600	22,100	11.6	190,300	164,400	25,900	13.6
Tri-Cities Area 2/	74,600	63,900	10,700	14.3	74,100	62,900	11,200	15.1	78,700	66,700	12,000	15.2
Yakima SMSA	87,800	72,700	15,100	17.2	86,500	69,600	16,900	19.5	87,300	71,000	16,300	18.7
Wenatchee Labor Area 2/	37,650	31,890	5,760	15.3	37,720	32,000	5,720	15.2	39,080	32,130	6,950	17.8
Adams	7,760	6,660	1,100	14.2	7,240	6,070	1,170	16.2	6,910	6,110	800	11.6
Asotin	8,090	7,280	810	10.0	8,070	7,260	810	10.0	8,560	7,430	1,130	13.2
Clallam	19,550	16,710	2,840	14.5	19,460	16,320	3,140	16.1	19,540	15,970	3,570	18.3
Clark	93,730	85,490	8,240	8.8	93,580	85,010	8,570	9.2	94,310	83,020	11,290	12.0
Columbia	1,940	1,690	250	12.9	1,730	1,380	350	20.2	1,910	1,440	470	24.6
Cowlitz	32,870	28,490	4,380	13.3	33,120	28,330	4,790	14.5	33,660	27,910	5,750	17.1
Ferry	2,740	2,160	580	21.2	2,640	2,130	510	19.3	2,580	1,990	590	22.9
Garfield	1,260	1,130	130	10.3	1,210	1,090	120	9.9	1,170	1,060	110	9.4
Grant	24,060	20,800	3,260	13.5	23,610	19,850	3,760	15.9	23,750	19,700	4,050	17.1
Grays Harbor	28,160	24,070	4,090	14.5	28,430	24,040	4,390	15.4	31,790	26,530	5,260	16.5
Island	15,290	13,900	1,390	9.1	15,060	13,540	1,520	10.1	15,790	13,300	1,490	10.1
Jefferson	6,530	5,820	710	10.9	6,520	5,730	790	12.1	6,460	5,590	870	13.5
Kittitas	11,780	9,850	1,930	16.4	11,530	9,640	1,890	16.4	11,160	9,290	1,870	16.8
Klickitat	7,160	5,780	1,380	19.3	7,170	5,570	1,600	22.3	7,060	5,270	1,790	25.4
Lewis	24,430	20,950	3,540	14.5	24,240	20,390	3,850	15.9	24,920	20,170	4,750	19.1
Lincoln	4,490	4,250	240	5.3	4,230	3,990	240	5.7	4,180	3,910	270	6.5
Mason	10,710	9,540	1,170	10.9	10,480	9,180	1,300	12.4	10,820	9,140	1,680	15.5
Okanogan	15,810	12,370	3,440	21.8	15,690	12,290	3,400	21.7	16,900	13,020	3,880	23.0
Pacific	7,130	6,030	1,100	15.4	7,190	5,940	1,250	17.4	7,220	5,890	1,330	18.4
Pend Oreille	4,220	3,480	740	17.5	4,150	3,410	740	17.8	3,730	2,690	1,040	27.9
San Juan	3,610	3,280	330	9.1	3,540	3,160	380	10.7	3,480	3,060	420	12.1
Skagit	34,850	29,650	5,200	14.9	33,250	27,670	5,580	16.8	33,310	27,390	5,920	17.8
Skamania	2,980	2,330	650	21.8	3,050	2,170	880	28.9	3,060	2,290	770	25.2
Stevens	12,470	9,970	2,500	20.0	11,980	9,570	2,410	20.1	12,940	9,820	3,120	24.1
Wahkiakum	1,390	1,250	140	10.1	1,410	1,240	170	12.1	1,230	1,110	120	9.8
Walla Walla	25,950	22,820	3,130	12.1	25,960	22,420	3,540	13.6	25,270	22,140	3,130	12.4
Whitman	17,030	16,420	610	3.6	16,420	15,790	630	3.8	16,370	15,590	780	4.8

1/ Detail may not add due to rounding.

2/ The Tri-Cities area includes all of Benton and Franklin Counties. The Wenatchee Labor Area includes all of Chelan and Douglas counties

3/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics' estimates, which must be used for Federal program purposes, are available upon request.

Research and Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT
ESTIMATES FOR FEDERAL PROGRAM PURPOSES

April 30, 1984
Benchmark 1983

(Not Seasonally Adjusted)

	March 1984 Preliminary 3/				February 1984 Revised			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total 1/	2,060,200	1,839,700	220,500	10.7	2,061,000	1,820,200	240,800	11.7
Bellingham SMSA	52,100	46,100	6,000	11.5	52,200	45,200	7,000	13.4
Bremerton SMSA	64,400	59,400	5,000	7.8	64,600	59,200	5,400	8.4
Olympia SMSA	58,600	52,400	6,200	10.6	58,800	51,800	7,000	11.9
King County	715,800	656,800	59,000	8.2	716,600	652,400	64,200	9.0
Snohomish County	194,300	174,400	19,900	10.2	194,600	173,100	21,500	11.0
Spokane SMSA	154,700	140,000	14,700	9.5	156,200	140,300	15,900	10.2
Tacoma SMSA	191,200	168,900	22,300	11.7	191,500	168,200	23,300	12.2
Tri-Cities Area 2/	74,900	64,000	10,900	14.6	75,000	63,200	11,800	15.7
Yakima SMSA	88,300	72,800	15,500	17.6	87,700	69,900	17,800	20.3
Wenatchee Labor Area 2/	37,840	31,950	5,890	15.6	38,170	32,130	6,040	15.8
Adams	7,800	6,670	1,130	14.5	7,320	6,090	1,230	16.8
Asotin	8,120	7,290	830	10.2	8,140	7,290	850	10.4
Clallam	19,640	16,740	2,900	14.8	19,700	16,390	3,310	16.8
Clark	94,080	85,660	8,420	8.9	94,400	85,360	9,040	9.6
Columbia	1,940	1,690	250	12.9	1,760	1,390	370	21.0
Cowlitz	33,020	28,550	4,470	13.5	33,500	28,450	5,050	15.1
Ferry	2,750	2,160	590	21.5	2,680	2,140	540	20.1
Garfield	1,260	1,130	130	10.3	1,220	1,090	130	10.7
Grant	24,180	20,850	3,330	13.8	23,890	19,930	3,960	16.6
Grays Harbor	28,290	24,120	4,170	14.7	28,770	24,140	4,630	16.1
Island	15,350	13,930	1,420	9.3	15,200	13,600	1,600	10.5
Jefferson	6,550	5,830	720	11.0	6,590	5,760	830	12.6
Kittitas	11,840	9,870	1,970	16.6	11,680	9,680	2,000	17.1
Klickitat	7,210	5,800	1,410	19.6	7,280	5,600	1,680	23.1
Lewis	24,600	20,990	3,610	14.7	24,540	20,480	4,060	16.5
Lincoln	4,500	4,260	240	5.3	4,250	4,000	250	5.9
Mason	10,760	9,560	1,200	11.2	10,590	9,220	1,370	12.9
Okanogan	15,910	12,400	3,510	22.1	15,930	12,340	3,590	22.5
Pacific	7,180	6,050	1,130	15.7	7,280	5,960	1,320	18.1
Pend Oreille	4,240	3,490	750	17.7	4,200	3,420	780	18.6
San Juan	3,630	3,290	340	9.4	3,570	3,170	400	11.2
Skagit	35,020	29,710	5,310	15.2	33,680	27,790	5,890	17.5
Skamania	2,990	2,330	660	22.1	3,110	2,180	930	29.9
Stevens	12,550	9,990	2,560	20.4	12,150	9,610	2,540	20.9
Wahkiakum	1,410	1,260	150	10.6	1,420	1,240	180	12.7
Walla Walla	26,060	22,860	3,200	12.3	26,250	22,510	3,740	14.2
Whitman	17,080	16,450	630	3.7	16,510	15,850	660	4.0

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.

2/ Includes Benton and Franklin counties.

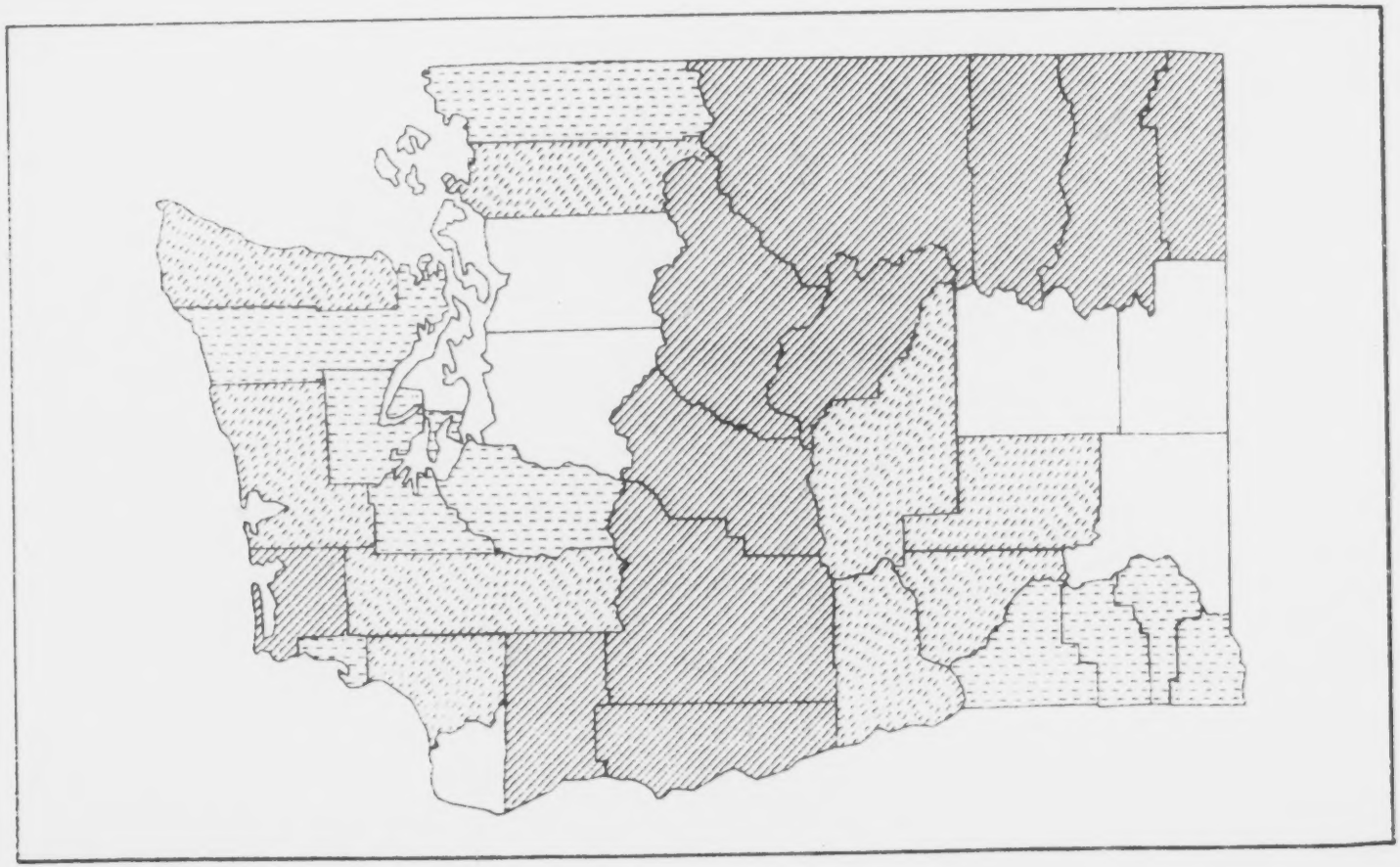
3/ Includes Chelan and Douglas counties.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Feb. 1984 Prod. or Nonsup. Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Feb. 1984	Jan. 1984	Feb. 1983	Feb. 1984	Jan. 1984	Feb. 1983	Feb. 1984	Jan. 1984	Feb. 1983
~~TOTAL~~ MANUFACTURING INDUSTRIES	175,800	$453.18	$448.91	$442.73	39.0	38.9	38.7	$11.62	$11.54	$11.44
Lumber & wood products	36,400	425.24	417.38	438.05	37.9	37.1	38.8	11.22	11.25	11.29
Primary metal industries	10,700	556.28	534.00	528.43	41.7	40.0	40.4	13.34	13.35	13.08
Fabricated metal products	6,900	465.20	455.12	495.32	40.0	38.8	40.6	11.63	11.73	12.20
Machinery	16,600	397.97	402.60	371.11	38.6	40.1	38.9	10.31	10.04	9.54
Food & kindred products	21,700	365.25	374.14	344.76	37.5	38.1	36.1	9.74	9.82	9.55
Chemicals & allied products	5,100	530.04	530.04	513.40	42.1	42.0	42.5	12.59	12.62	12.08
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	46,700	597.91	604.04	636.53	35.4	35.7	35.6	16.89	16.92	17.88
Wholesale and retail trade	244,900	306.28	311.54	308.93	33.4	33.9	33.8	9.17	9.19	9.14

OVER 15.3
13.3 - 15.3
10.0 - 13.2
UNDER 10.0

MARCH
UNEMPLOYMENT
RATES



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JOB SERVICE

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and the Employment and
Training Administration
U.S. Department of Labor

Washington Labor Market

Volume 8, Number 5 May 1984

HIGHLIGHTS

The state's unemployment rate fell for the third straight month, from a revised figure of 10.4 percent in March to 10.2 percent in April. The number of persons with jobs in Washington State rose by 24,000 in April to 1,860,900, the third consecutive monthly increase in state total employment. (Data are not seasonally adjusted). Both developments reflect improvements in weather, and other seasonal factors, which stimulate activity in agriculture, construction, logging, and retail trade. The drop in the state's jobless rate and the rise in total employment, however, were below normal for this time of year and for this stage of the employment recovery cycle. The rise in April employment of 24,000 is about 6,000 below past March to April increases in non-recession years. The April drop in this year's jobless rate, of 0.2 of a percentage point, compares to a normal drop in non-recession years of about 0.7 of a percentage point. The failure to emulate past April gains is due mainly to a sudden halt in the recovery of the lumber and wood products and construction industries. An increase in home mortgage rates has dampened the housing recovery, contributing to an oversupply of lumber and a precipitous decline in lumber prices. A severe depletion of coho and chinook salmon has also kept the lid on seasonal employment gains. The fish famine has practically eliminated commercial and recreational fishing off the Washington coast for

	April 1984*	March 1984*	April 1983
Civilian Labor Force	2,071,600	2,051,100	2,056,500
Total State Employment	1,860,900	1,836,900	1,814,700
Total Unemployment	210,700	214,200	241,800
State Unemployment Rate	10.2	10.4	11.8
National Civilian Unemployment Rate	7.6	8.1	10.2

*These data are alternative estimates which are more nearly comparable with data released in previous years than the official Bureau of Labor Statistics' estimates developed for Federal program purposes.

the season; this in turn, has retarded fish processing payrolls. Ironically, improving economic conditions also contributed to a smaller than expected drop in the April jobless rate. Inspired by a brightening employment picture, more than 20,000 individuals entered (or re-entered) the state's job market during April, the largest March to April gain since 1979 when a vigorous demand for housing bolstered job opportunities in logging and construction. As labor force expansion slows down, the jobless rate should resume its downward trend in the months ahead.

Nationally, key economic indicators continue to show large month to month swings. April gains in total employment, retail sales, and production reverse the March deceleration in aggregate economic activity. The latter had been attributed to harsh weather conditions. The Department of Commerce reports positive movement again in the April index of leading economic indicators, following a sizeable drop during March. Discounting weather and other transient forces, the overall picture since the beginning of 1984 is one of rapid growth, settling, now, into moderate, sustainable expansion. National labor force data reflect this picture. The non-seasonally adjusted jobless rate for the nation was down 0.5 of a percentage point in April, with 7.6 percent of the labor force unemployed. The seasonally adjusted national rate, however, held at 7.8 percent, the same as in February and March.

With recovery boosting the confidence of new job seekers and discouraged workers, the civilian labor force has swelled in recent months. This has kept the national jobless rate near 8.0 percent, masking impressive gains in services, construction, and manufacturing employment. As growth of the labor force reverts to a less hectic pace, the adjusted unemployment rate is expected to resume its steady decline. Parallel trends are evident at the state level since 1982. See charts 1 and 2, below.

CHART 1

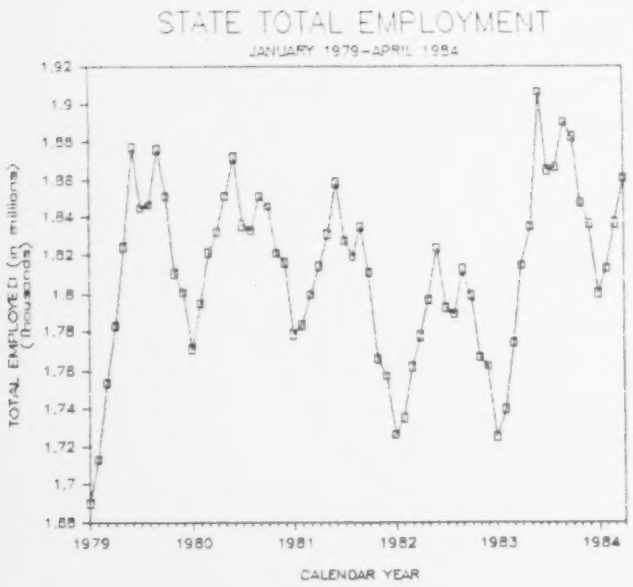
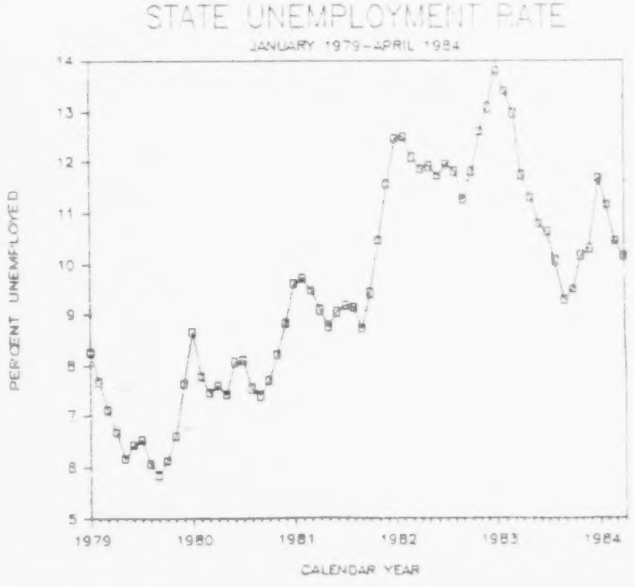


CHART 2



MANUFACTURING EMPLOYMENT

April employment was generally stable in most of the state's manufacturing industries. The largest gains were seasonal in nature, with lumber and wood products, construction, and food processing accounting for most of the increase. (See table on page 9.) Among these, only food and kindred products equalled its normal March to April increase. Nationally, all key manufacturing indicators surged during April, alleviating some concerns about depressed March figures. Consumer goods and business equipment manufacturing both rose sharply. Consumer optimism remains strong, and industries at or near production capacity are still expanding to keep pace with consumer spending. Housing starts and sales of domestic automobiles also rebounded. The pick-up in housing reflects a comeback from a sharp March drop due to extremely harsh weather. Demand for new housing, however, is expected to flatten as home mortgage rates edge above 14 percent. With consumer and business spending showing renewed strength, employment in the state's manufacturing industries should at least hold steady. As part of a long-term trend, Washington's share of housing related manufacturing continues its shift to other parts of the nation. On the brighter side, employment in newer manufacturing industries, such as electrical equipment, instruments, and biotechnology, continues to expand more rapidly in the state than in the nation.

Durable Goods Industries

Employment in lumber and wood products increased by 300 from March to April, about 700 jobs below the normal gain for this time of year. In the past three months, lumber and plywood prices have plummeted. Random Lengths reports a nationwide price decline of nearly 50 dollars per 1,000 board-feet for several lumber products from March to May. The price of plywood fell in that period from $215 to $193 per 1,000 square feet. While increases in home mortgage rates have been harmful, the slowdown in demand for housing is not the only factor behind the slump. Rising sales and overly optimistic homebuilding forecasts caused a sharp step-up in logging and milling operations over the past fifteen months. The result has been an excess in inventory, now compounded by heightened competition from Canadian timber companies.

Slump in Lumber

Among publicly reported layoffs in timber, are a two week shut-down of three large Grays Harbor companies affecting 250 workers; and down-time of equal duration at Weyerhauser mills in Snoqualmie, White River, and Everett. The latter affects 690 employees. Among April recalls, the most significant was the return of 140 sawmill production workers to Merrill-Ring Incorporated; 300 employees had been laid-off last September.

Due to lack of work, however, Merril-Ring anticipates a mid-May layoff of 90 workers.

Bill to Revive Timber Industry

In a development which may help revive the Northwest timber industry, a bill has been introduced in the Federal House of Representatives to allow more than one hundred logging operators in the region to buy back Federal timber contracts at a discount. The contracts had been negotiated before the dramatic drop in timber prices four years ago. As a result, companies have been faced with contracts to cut timber at prices much higher than current and forseeable sale prices. A spokesman for the small mill owners association states that in the absence of Federal contract relief, some 200 Oregon and Washington mills face bankruptcy, with a potential loss of 20 to 30 thousand jobs region-wide. The bill, introduced by an Oregon Congressman, is the first to receive support from most key elements of the region's timber industry. Southern producers withdrew their opposition when a provision was added to limit the amount of timber that could be turned back to the Federal Government.

In another development with long-range positive implications for Northwest timber, Boise Cascade announced a $16 million dollar modernization project at its wood products manufacturing complex in Yakima. This should make its products more competitive with those of Southern and Canadian producers and with mid-West firms producing cheaper plywood substitutes.

Ups and Downs in Shipbuilding

Shipbuilding also lags the general employment recovery in Washington State. Its decline is reflected in payroll figures for "other transportation equipment." (See table on page 9.) Employment in this category, which also includes truck manufacturing, fell by 100 from March to April 1984, and by 600 since April 1983. Stiff competition from foreign marine carriers, which are often aided by government subsidies, has depressed the domestic marine shipping industry. Two recent developments, however, will boost employment in local shipbuilding. Marine Power & Equipment Corporation has been awarded a $76.8 million contract to build sixteen high-speed boats for the United States Coast Guard. The contractor will employ 500 workers, including 200 new jobs. Another positive announcement involved Tacoma Boat Company, which lost nearly $20 million dollars last year and cut employee wages. Tacoma Boat signed a $110 million dollar contract with a Houston based cruise line. If financing questions are fully resolved, Tacoma Boat will build an 800 passenger, 550 foot ship, the largest Tacoma waterfront project since World War II.

Employment in the state's instruments manufacturing industry, part of the "high technology" group, continues to advance briskly. April payrolls in this industry are 100 higher

Shifting Patterns in Lumber and High Technology

than in March 1984 and 600 above last year's level. Since the first quarter of 1979, jobs in instrument manufacturing have almost doubled, from 5,200 to nearly 10,000, the largest percentage increase among all major industrial groups. This accomplishment occurred amidst an economic recession in which durables manufacturing suffered the severest setbacks. Prospects for even swifter expansion in the years ahead are thus excellent. Employment growth in instruments, machinery and electrical equipment reflect the high skill level of the Washington labor force as well as positive measures taken by state government to create a hospitable environment for high technology industries.

Aside from stable growth in aerospace, two major trends dominate the durable goods manufacturing picture in Washington State. In the state, a significant downward shift has occurred in the lumber and wood products share of total durable goods jobs; while nationally the lumber and wood products share of hardgoods employment has increased.

A reverse pattern characterizes the high technology group: machinery, electrial equipment and instruments. This sector's share of durables manufacturing is expanding more rapidly in the state than in the nation.

Nondurable Goods Industries

April was a steady and predictable month for employment in nondurable goods industries. The largest change occurred in the processing of canned and preserved foods, where payrolls jumped 700 above the March level. This month to month increase is average for a non-recession year. One major food processor added over 400 workers to assist in asparagus packaging. A frozen french fry processing firm, which had shut down in March for annual maintenance, hired back nearly 400 workers during April.

NONMANUFACTURING EMPLOYMENT

Nonmanufacturing industries in Washington continue to lead the state's employment recovery, with payrolls showing a net gain of 8,700 over the past month. This accounts for about one-third of the total job growth statewide during April. Retail trades (with an increase of 5,500 jobs), construction (up 1,500), transportation (up 500), and services (up 1,800), contributed most of the new jobs. A layoff of 1,700 state and local education employees offset some of these gains.

March to April changes in nonmanufacturing employment were due mainly to seasonal factors. A step-up in tourism, travel, and recreational activities, normal for the spring season, boosted payrolls in hotels, eating and drinking establishments, and convenience food stores. Improved weather conditions enabled outdoor work to resume in construction. Establishments dealing in building materials